

## Message Text

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PAGE 01 STATE 135259  
ORIGIN ARA-14

INFO OCT-01 ISO-00 EB-08 OPIC-03 AID-05 L-03 OES-07  
XMB-02 TRSE-00 CIAE-00 INR-10 NSAE-00 OMB-01  
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R 262208Z MAY 78  
FM SECSTATE WASHDC  
TO AMEMBASSY NASSAU

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E.O. 11652: N/A

TAGS: ECON, EINV, EAID, BF

SUBJECT: BAHAMIAN INTEREST IN OPIC SMALL BUSINESS EXCEPTION

REF: (A) NASSAU 549 AND (B) STATE 126562

1. AS REPORTED IN REF. A, AT BILATERAL ECONOMIC COOPERA-  
TION TALKS IN MARCH GCOB (ROLLE OF DEVELOPMENT BANK)  
REQUESTED ADDITIONAL INFORMATION CONCERNING SMALL BUSINESS  
EXCEPTION FOR OPIC OPERATIONS IN COUNTRIES WITH PER CAPITA  
GNP ABOVE 1,000 DOLLARS. RESPONSE HAS BEEN DELAYED IN  
PART BECAUSE OPIC LEGISLATION THAT DETERMINES EXCEPTION  
HAD NOT YET BECOME LAW AND IN PART BECAUSE OPIC HAS NEVER  
HAD A PROGRAM IN THE BAHAMAS AND HAS NO PRESENT PLANS FOR  
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PAGE 02 STATE 135259

ENGAGING IN ONE. GIVEN MANDATE THAT REQUIRES OPIC TO  
FOCUS RESOURCES AND PROGRAM OPERATIONS ON POORER COUNTRIES  
AND UNCERTAINTY THAT THERE WOULD BE SIGNIFICANT INTEREST  
BY U.S. INVESTORS IN LIMITED OPIC PROGRAM IN THE BAHAMAS,  
IT IS NOT CERTAIN THAT OPIC WOULD BE WILLING TO NEGOTIATE  
AGREEMENT WITH GCOB WITHOUT CLEAR INDICATION FROM  
DEPARTMENT THAT SUCH AN AGREEMENT WOULD BE REQUIRED

FOR REASONS OF U.S. NATIONAL INTEREST.

2. NEVERTHELESS, WITH PROVISIO THAT OPIC MAY NOT WISH TO  
NEGOTIATE AN AGREEMENT WITH GCOB EVEN FOR LIMITED PROGRAM

AVAILABLE TO HIGHER INCOME DEVELOPING COUNTRIES, YOU MAY  
INFORM ROLLE OF THE FOLLOWING: UNDER OPIC'S NEW LEGISLA-  
TION, GENERAL POLICY DESCRIBED DURING MARCH TALKS HAS BEEN  
CONFIRMED. POLICY FOR COUNTRIES WITH PER CAPITA GNP ABOVE  
1,000 DOLLARS INCLUDES PROVISION THAT OPIC MAY INSURE  
INVESTMENTS BY U.S. SMALL BUSINESSES OR COOPERATIVES.  
"SMALL BUSINESS," FOR OPIC PURPOSES, IS DEFINED AS  
COMPANIES SMALLER THAN THE "FORTUNE 1,000" - THAT IS,  
INDUSTRIAL FIRMS WITH ANNUAL SALES OF LESS THAN 100 MILLION  
DOLLARS OR NON-INDUSTRIAL FIRMS WITH STOCKHOLDERS' EQUITY  
OF LESS THAN ABOUT 35 MILLION DOLLARS. IN ADDITION, THE  
OPIC BOARD OF DIRECTORS MAY OCCASIONALLY ON A CASE-BY-CASE  
BASIS APPROVE EXCEPTIONS TO THE GENERAL RULE (SUCH AS  
PROJECTS WITH EXCEPTIONALLY SIGNIFICANT DEVELOPMENT  
IMPACT) WHEN EXTRAORDINARY CIRCUMSTANCES WARRANT IT.

3. EMBASSY MAY WISH TO POINT OUT TO GCOB THAT OPIC'S  
DIRECT INVESTMENT FUND MAY OPERATE TO ASSIST SMALL  
BUSINESS INVESTORS (AS DEFINED PARA. 2) WITHOUT THE  
NEED FOR A BILATERAL, BUT OPIC HAS NEVER ENCOUNTERED  
SIGNIFICANT INTEREST ON THE PART OF U.S. INVESTORS.  
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PAGE 03 STATE 135259

4. FYI: OPIC WISHES TO AVOID STIMULATING GCOB INTEREST  
IN PROGRAM, IN VIEW OF CLEAR CONGRESSIONAL MANDATE AND  
ADMINISTRATION POLICY THAT OPIC SHOULD CONCENTRATE ON  
POORER COUNTRIES. THIS IS PARTICULARLY IMPORTANT IN  
LIMITING OPIC'S ABILITY AND WILLINGNESS TO UNDERTAKE  
ACTIVE PROMOTION EFFORTS ON BEHALF OF BAHAMIAN  
INVESTMENTS. POSSIBILITY OF PROGRAM IS NOT EXCLUDED,  
HOWEVER, AND WE WOULD WANT TO KNOW OF ANY MORE CONCRETE  
EXPRESSIONS OF INTEREST EMBASSY MAY RECEIVE. VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SMALL BUSINESS, INVESTMENT PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
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**Film Number:** D780224-0889  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** b3863895-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN ARA  
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**Original Handling Restrictions:** n/a  
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**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
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**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2543440  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BAHAMIAN INTEREST IN OPIC SMALL BUSINESS EXCEPTION  
**TAGS:** ECON, EINV, EAID, BF, OPIC  
**To:** NASSAU  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/b3863895-c288-dd11-92da-001cc4696bcc  
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